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Patricia Banks Morrison SA.
Senior Counsel

tmorrison@scana.com

June 15, 2006

VIA Hand Delivery

Mr. Charles L. A. Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
100 Executive Center, Suite 100
Columbia, South Carolina 29210

2005-113-G
2006-157-G

JUN 15 2006

DOCKETING DEPT.

Re: South Carolina Electric & Gas Company's Filing of Quarterly Monitoring Report and Proposed Rate Adjustments Pursuant to the Natural Gas Rate Stabilization Act

Dear Mr. Terreni:

On April 26, 2005 South Carolina Electric & Gas Company ("SCE&G" or the "Company") filed an application under Section 58-5-240 of the Code of Laws of South Carolina for adjustments in the Company's natural gas rate schedules and tariffs, which Application the Commission considered in Docket No. 2005-113-G. In the Application, SCE&G elected to have the terms of the Natural Gas Rate Stabilization Act, S.C. Code Ann. 58-5-400 *et seq.* (the "Act"), apply to the Company's rates and charges for gas distribution services thereafter. Therefore, in accordance with Sections 58-5-430 and -440 of the Act, SCE&G hereby submits twenty-five copies of its quarterly report for the twelve-month period ending March 31, 2006, as well as proposed adjustments to its rates and charges. By copy of this letter I am providing the South Carolina Office of Regulatory Staff seven copies of this report and exhibits. Please date stamp the extra copy of this letter and return it with our courier.

Should anything further be needed, please do not hesitate to contact me. Thank you in advance for your cooperation in this matter.

With kind regards,

Patricia Banks Morrison

PBM/kms

cc: Dan Arnett, ORS

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. _____

In Re:	South Carolina Electric) & Gas Company's Filing) Of Quarterly Monitoring) Report and Proposed Rate) Adjustments Pursuant to the) Natural Gas Rate Stabilization Act.)	QUARTERLY MONITORING REPORT AND PROPOSED RATE ADJUSTMENTS
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Pursuant to Sections 58-5-430 and 58-5-440 of the Natural Gas Rate Stabilization Act ("RSA" or "Act"), South Carolina Electric & Gas Company ("SCE&G" or "Company") hereby submits (1) its quarterly report for the twelve-month period ending March 31, 2006, and (2) the proposed adjustments to its rates and charges necessary to permit SCE&G the opportunity to earn the mid-point rate of return on common equity established in its last general rate case for natural gas service. SCE&G requests that the South Carolina Public Service Commission ("Commission") accept and review the attached documents, and pursuant to Section 58-5-455 of the Act, issue an initial order approving the proposed rate adjustments set forth in this filing on or before October 15, 2006. As required by Section 58-5-455(1) of the Act, a copy of this filing is being simultaneously served on the Office of Regulatory Staff.

In support of this filing, SCE&G would respectfully show the following:

1. Any notices or other communications with respect to this matter should be sent to:

Patricia Banks Morrison
South Carolina Electric & Gas Company
1426 Main Street, Mail Code 130
Columbia, South Carolina 29201
Phone: (803) 217-7880
Fax: (803) 217-7931
Email: tmorrison@scana.com

Belton Zeigler, Esquire
John Boyd, Esquire
Haynsworth Sinkler Boyd, P.A.
Post Office Box 11889
1201 Main Street, 22nd Floor
Columbia, South Carolina 29211-1889
Phone: (803) 779-3080
Fax: (803) 765-1243
Email: beltonzeigler@hsblawfirm.com

2. On April 26, 2005 SCE&G filed an application (the “Application”) under Section 58-5-240 of the Code of Laws of South Carolina for adjustments in the Company’s natural gas rate schedules and tariffs which Application the Commission considered in Docket No. 2005-113-G. In the Application, SCE&G elected to have the terms of the Act apply to SCE&G’s rates and charges for gas distribution services thereafter.

3. A settlement agreement (“Settlement Agreement”) was entered into by all parties to Docket No. 2005-113-G. At the conclusion of proceedings in that docket, the Commission entered Order No. 2005-619 and found as follows:

Pursuant to the RSA Section 58-5-420(1), the Commission is required to specify a range for SCE&G's cost of equity that includes a band of fifty basis points (0.50 percentage points) below and fifty basis points (0.50 percentage points) above the cost of equity on which rates have been set. Based on the stipulations of all Parties in the Settlement, and the cost of equity of 10.25% therein established, the Commission specifies a range of 9.75% to 10.75% as the range of return on equity to be used in administering the provisions of the RSA for SCE&G until further order.

Order No. 2005-619, p. 7.

4. In its Application in Docket No. 2005-113-G, SCE&G requested that the Commission make findings related to SCE&G’s revenues, expenses, capital structure, returns, and other matters as required by Sections 58-5-410 and 58-5-420 of the Act.

5. In Order No. 2005-619, the Commission found as follows:

The RSA at Section 58-5-420(2) requires the Commission to make findings related to specific categories of revenue, expense and investment. All the required findings are set forth in Exhibit C of the Settlement which is incorporated as part of this Order.

Order No. 2005-619, p. 7.

6. The Commission has not issued any general rate order concerning SCE&G's gas operations since Order No. 2005-619 was issued.

7. Consistent with Order No. 2005-619, and pursuant to the requirements of Section 58-5-430 of the Act, SCE&G has attached hereto as Exhibit A the information contained on Exhibit C of the Settlement Agreement updated for the twelve-month period ending March 31, 2006.

8. In compiling the financial information contained in Exhibit A, SCE&G has made the pro forma and other adjustments to its per books financial data as required by Section 58-5-430(2),(3) and (4) of the Act. A schedule setting out the details of those pro forma and other adjustments is included in Exhibit A.

9. As indicated in Exhibit A, during the 12 month period ended March 31, 2006, SCE&G earned a return on its gas distribution operations after pro forma adjustments which was below the 9.75% lower band of its allowable rate of return on common equity as established in Order No. 2005-619.

10. As required by Section 58-5-440(2) of the Act, Exhibit A contains a calculation indicating the additional revenue required to return SCE&G's rate of return on common equity to the midpoint of the range established in Order No. 2005-619.

11. Attached hereto as Exhibit B are the new rates and charges for gas service which will give SCE&G an opportunity to generate the revenue required to return SCE&G's rate of return on common equity to the midpoint of the range established in Order No. 2005-619.

12. As required by Section 58-5-440 of the Act, the rates and charges contained in Exhibit B have been calculated using the revenue allocation principles contained in Order No. 2005-619 including the percentage allocations of the increase among customer classes and the rate design which are identical to those contained in Order No. 2005-619.

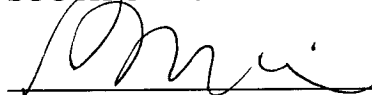
13. Pursuant to Section 58-5-455 of the Act, SCE&G proposes to implement the rates reflected in Exhibit B for bills rendered on or after the first billing cycle of November 2006.

14. Consistent with the requirements of Section 58-5-430 and 58-5-455 of the Act, in addition to concurrently serving copies of this filing on the Office of Regulatory Staff, SCE&G is also serving this filing on any interested party that has requested in writing to receive such filings.

WHEREFORE, SCE&G respectfully requests that the Commission accept and review SCE&G's quarterly monitoring report for the twelve-month period ended March 31, 2006 and issue an Initial Order approving SCE&G's proposed rate adjustments on or before October 15, 2006.

Respectfully submitted, this the 15th day of June, 2006.

SOUTH CAROLINA ELECTRIC & GAS COMPANY



Patricia Banks Morrison
South Carolina Electric & Gas Company
1426 Main Street, Mail Code 130
Columbia, South Carolina 29201
Phone: (803) 217-7880
Email: tmorrison@scana.com

HAYNSWORTH SINKER BOYD, P.A.
Belton Zeigler, Esquire
John Boyd, Esquire
Post Office Box 11889
1201 Main Street, 22nd Floor
Columbia, South Carolina 29211-1889
Phone: (803) 779-3080
Fax: (803) 765-1243
Email: beltonzeigler@hsblawfirm.com

**South Carolina Electric & Gas Company
Operating Experience - Total Gas
For the Test Year Ended March 31, 2006**

Description	Per Regulatory Books	Accounting & Pro Forma Adjustments	As Adjusted	Total Proposed Increase	Total After Settlement Increases
Operating Revenues	\$ 546,128,364	\$ 10,779,432 (A)	\$ 556,907,796	\$ 18,175,727	\$ 575,083,523
Operating Expenses:					
O&M Expenses - Cost of Gas	450,424,300		450,424,300		450,424,300
O&M Expenses - Other	50,190,878	1,262,941 (B)	51,453,819		51,453,819
Dep. & Amort. Expenses	15,621,961	3,773,154 (C)	19,395,115		19,395,115
Taxes Other Than Income	11,602,259	2,088,332 (D)	13,690,591	95,786	13,786,377
Total Income Taxes	2,650,997	841,271 (E)	3,492,268	6,915,502	10,407,770
Total Operating Expenses	530,490,395	7,965,698	538,456,093	7,011,288	545,467,381
Total Operating Income	15,637,969	2,813,734	18,451,703	11,164,440	29,616,143
Interest on Customer Deposits	(108,558)	-	(108,558)		(108,558)
Net Income for Return	15,529,411	2,813,734	18,343,145	11,164,440	29,507,585
Rate Base:					
Gross Plant in Service	572,377,120	36,449,827 (F)	608,826,947		608,826,947
Reserve for Depreciation	(228,899,606)	(26,632,855) (G)	(255,532,461)		(255,532,461)
Net Plant in Service	343,477,514	9,816,972	353,294,486		353,294,486
Construction Work in Process	5,129,739	(794,939) (H)	4,334,800		4,334,800
Accum. Deferred Income Taxes	(44,218,935)		(44,218,935)		(44,218,935)
Environmental Costs	2,900,850		2,900,850		2,900,850
OPEB's	(9,337,330)	(86,840) (I)	(9,424,170)		(9,424,170)
Reg. Asset for Unrcvrd PAP	-	2,156,119 (J)	2,156,119		2,156,119
Injuries & Damages	(387,374)		(387,374)		(387,374)
Materials & Supplies	1,245,744	42,314,344 (K)	43,560,088		43,560,088
Total Working Capital	6,273,860	157,868 (L)	6,431,728		6,431,728
Prepayments	(912,426)		(912,426)		(912,426)
Average Tax Accruals	(5,293,597)		(5,293,597)		(5,293,597)
Customer Deposits	(6,108,406)		(6,108,406)		(6,108,406)
Total Rate Base	292,769,639	53,563,524	346,333,163	-	346,333,163
Rate of Return	5.30%		5.30%		8.52%
Return on Equity	4.40%		4.38%		10.25%

Note - Per Book Return on Rate Base computed per Company based on per book Total Operating Income and Total Rate Base

SCE&G

**Weighted Cost of Capital
At March 31, 2006**

Description	Capital Structure	Ratio	Rate Base	Embedded Cost/Return	Overall Cost/Return	Income For Return
Long-Term Debt	\$ 1,830,462,526	42.40%	\$ 146,828,410	6.41%	2.72%	\$ 9,411,701
Preferred Stock	114,920,650	2.66%	9,218,225	6.41%	0.17%	590,888
Common Equity	2,372,240,900	54.94%	190,286,528	10.25%	5.63%	19,504,996
Totals	\$ 4,317,624,076	100.00%	\$ 346,333,163		8.52%	\$ 29,507,585

South Carolina Electric & Gas Company
Explanation of Accounting and Pro Forma Adjustments
For the Test Year Ended March 31, 2006

Exhibit A-2
Page 2 of 8

<u>Description</u>	<u>Per SCE&G</u>
(A) <u>Operating Revenues</u>	
1 SCE&G proposes to annualize Revenues from Lateral transfers:	
a) Annualize Laterals transferred in May 2005	\$ 64,882
b) Adjust lateral customer revenue for tariff rates	493,040
	<u>\$ 557,922</u>
2 SCE&G proposes to annualize Revenues for approved revenue increase	\$ 9,406,491
3 SCE&G proposes to add Revenues for refunds related to a prior period	\$ 515,019
4 SCE&G proposes to add Revenues for a new industrial contract	<u>\$ 300,000</u>
<u>Total Operating Revenues</u>	<u><u>\$ 10,779,432</u></u>
(B) <u>Operating and Maintenance Expense</u>	
5 SCE&G proposes to annualize Wages and Benefits	\$ 445,353
6 SCE&G proposes to remove 50% of employee & officer bonuses	\$ (843,790)
7 SCE&G proposes to adjust Employee Benefits	
a) Annualize Pension Income	\$ 312,077
b) Annualize Other Post Employment Benefits	140,632
	<u>\$ 452,709</u>
8 SCE&G proposes to remove Employee Clubs	\$ (48,579)
9 SCE&G proposes to annualize ongoing expenses for pipeline integrity expenses	\$ 475,676
10 SCE&G proposes to add expenses related to LNG asset transfer	\$ 1,530,866
11 SCE&G proposes to remove rate case expenses for outside services for 2005 Gas Rate Case	<u>\$ (749,294)</u>
<u>Total Operating and Maintenance Expense</u>	<u><u>\$ 1,262,941</u></u>
(C) <u>Depreciation and Amortization Expense</u>	
12 SCE&G proposes to adjust Amortization of Long Term Disability liability	\$ 79,101
13 SCE&G proposes to remove depreciation expense related to Employee Clubs	\$ (75,063)
14 SCE&G proposes to annualize the amortization of Manufactured Gas Plant remediation costs	\$ 238,130
15 SCE&G proposes to add depreciation reserve for CWIP Additions	\$ 9,599
16 SCE&G proposes to annualize depreciation rates	\$ 2,726,220
17 SCE&G proposes to make the following adjustments related to the retirement of the Propane Air Plants:	
a) remove depreciation related to retirement of the Propane Air assets	\$ (234,939)
b) add amortization of the regulatory asset resulting from Propane Air Plant retirements	446,094
	<u>\$ 211,155</u>
18 SCE&G proposes to add depreciation related to LNG asset transfer	\$ 580,416
19 SCE&G proposes to add depreciation for plant additions relating to new industrial contract	<u>\$ 3,596</u>

South Carolina Electric & Gas Company
Explanation of Accounting and Pro Forma Adjustments
For the Test Year Ended March 31, 2006

Exhibit A-2
Page 3 of 8

<u>Description</u>	<u>Per</u> <u>SCE&G</u>
<u>Total Depreciation and Amortization Expense</u>	\$ 3,773,154
(D) <u>Taxes Other Than Income</u>	
20 SCE&G proposes to annualize Gross Receipts Tax on Revenues from Lateral transfers:	
a) Annualize Laterals transferred in May 2005	\$ 342
b) Adjust lateral customer revenue for tariff rates	2,598
	<u>2,940</u>
21 SCE&G proposes to annualize payroll taxes for Wages and Benefits	\$ 31,640
22 SCE&G proposes to remove 50% of payroll taxes related to employee & officer bonuses	\$ (71,300)
23 SCE&G proposes to adjust Property Tax expense	\$ 1,533,328
24 SCE&G proposes to add Property Taxes related to LNG asset transfer	\$ 529,409
25 SCE&G proposes to annualize Gross Receipts tax on Revenues for approved revenue increase	\$ 49,572
26 SCE&G proposes to adjust Gross Receipts tax for Revenues added for refunds related to a prior period	\$ 2,714
27 SCE&G proposes to add property tax & gross receipts tax relating to new industrial contract	\$ <u>10,028</u>
<u>Total Taxes Other Than Income</u>	\$ <u>2,088,332</u>
(E) <u>Income Taxes</u>	
<u>State Income Taxes:</u>	
28 SCE&G proposes to annualize state income taxes for Revenues from Lateral transfers:	
a) Annualize Laterals transferred in May 2005	\$ 3,227
b) Adjust lateral customer revenue for tariff rates	24,522
	<u>27,749</u>
29 SCE&G proposes to annualize state income taxes for Wages and Benefits	\$ (23,850)
30 SCE&G proposes to remove 50% of state income taxes related to employee & officer bonuses	\$ 45,755
31 SCE&G proposes to adjust state income taxes for Annualized Employee Benefits:	
a) Annualize Pension Income	\$ (15,604)
b) Annualize Other Post Employment Benefits	(7,032)
	<u>\$ (22,636)</u>
32 SCE&G proposes to adjust state income taxes for the Amortization of Long Term Disability liability	\$ (3,955)
33 SCE&G proposes to remove state income taxes for Employee Clubs	\$ 6,182
34 SCE&G proposes to annualize state income taxes for Manufactured Gas Plant remediation amortization	\$ (11,907)
35 SCE&G proposes to annualize state income taxes for pipeline integrity expenses	\$ (23,784)
36 SCE&G proposes to adjust state income taxes for depreciation on CWIP Additions	\$ (480)
37 SCE&G proposes to annualize state income taxes for depreciation rates as approved in order	\$ (136,311)

South Carolina Electric & Gas Company
Explanation of Accounting and Pro Forma Adjustments
For the Test Year Ended March 31, 2006

Exhibit A-2
Page 4 of 8

<u>Description</u>	<u>Per SCE&G</u>
38 Company proposes to adjust state income taxes for Property Tax expense	\$ (76,666)
39 SCE&G proposes make the following adjustments related to the retirement of the Propane Air Plants:	
a) adjust state income taxes for the removal of depreciation related to retirement of Propane Air assets	\$ 11,747
b) adjust state income taxes for the amortization of the regulatory asset for the unrecovered balance of Propane Air Plant assets	(22,305)
	\$ (10,558)
40 SCE&G proposes to adjust state income taxes related to LNG assets to be transferred	\$ (132,035)
41 State Tax effect of annualized interest	(72,780)
42 SCE&G proposes to annualize state income taxes for Revenues for approved revenue increase	\$ 467,846
43 SCE&G proposes to adjust state income taxes for a revenue adj to remove refunds related to a prior period	\$ 25,615
44 SCE&G proposes to adjust state taxes associated with Gas Rate Case Expenses	\$ 37,465
45 SCE&G proposes to adjust state taxes associated with a new industrial contract	\$ 14,319
<u>Total State Income Taxes:</u>	\$ 109,970
<u>Federal Income Taxes</u>	
46 SCE&G proposes to annualize fed income taxes for Revenues from Lateral transfers:	
a) Annualize Laterals transferred in May 2005	\$ 21,460
b) Adjust lateral customer revenue for tariff rates	163,072
	184,532
47 SCE&G proposes to annualize fed income taxes for Wages and Benefits	\$ (158,600)
48 SCE&G proposes to remove 50% of fed income taxes related to employee & officer bonuses	\$ 304,267
49 SCE&G proposes to adjust fed income taxes for Annualized Employee Benefits:	
a) Annualize Pension Income	\$ (103,766)
b) Annualize Other Post Employment Benefits	(46,760)
	\$ (150,526)
50 SCE&G proposes to adjust fed income taxes for the Amortization of Long Term Disability liability	\$ (26,301)
51 SCE&G proposes to remove fed income taxes for Employee Clubs	\$ 41,111
52 SCE&G proposes to annualize fed income taxes for Manufactured Gas Plant remediation amortization	\$ (79,178)
53 SCE&G proposes to annualize fed income taxes for pipeline integrity expenses	\$ (158,162)
54 SCE&G proposes to adjust fed income taxes for depreciation on CWIP Additions	\$ (3,192)
55 SCE&G proposes to annualize fed income taxes for depreciation rates as approved in order	\$ (906,468)
56 Company proposes to adjust fed income taxes for Property Tax expense	\$ (509,832)
57 SCE&G proposes make the following adjustments related to the retirement of the Propane Air Plants:	
a) adjust fed income taxes for the removal of depreciation related to retirement of the Propane Air assets	\$ (70,209)

South Carolina Electric & Gas Company
Explanation of Accounting and Pro Forma Adjustments
For the Test Year Ended March 31, 2006

Exhibit A-2
Page 5 of 8

<u>Description</u>	<u>Per SCE&G</u>
58 SCE&G proposes to adjust fed income taxes related to LNG asset transfer	\$ (878,030)
59 Federal Tax effect of annualized interest	(483,988)
60 SCE&G proposes to annualize fed income taxes for Revenues for approved revenue increase	\$ 3,111,176
61 SCE&G proposes to adjust fed income taxes for a revenue adj to remove refunds related to a prior period	\$ 170,341
62 SCE&G proposes to adjust fed taxes associated with Gas Rate Case Expenses	\$ 249,140
63 SCE&G proposes to adjust fed taxes associated with a new industrial contract	\$ 95,220
<u>Total Federal Income Taxes:</u>	\$ 731,301
<u>Total Income Taxes</u>	\$ 841,271
 (F) <u>Plant in Service</u>	
64 SCE&G proposes to remove Employee Clubs	\$ (513,115)
65 SCE&G proposes to recognize property retirements	\$ (133,947)
66 SCE&G proposes to increase plant in service for CWIP additions through April 2006	\$ 690,644
67 SCE&G proposes to remove Propane Air Plants	\$ (10,806,520)
68 SCE&G proposes to add LNG Assets	\$ 46,939,329
69 SCE&G proposes to add plant relating to New Industrial Contract	\$ 273,436
<u>Total Plant in Service</u>	\$ 36,449,827
 (G) <u>Accumulated Depreciation</u>	
70 SCE&G proposes to remove Employee Clubs	\$ (115,179)
71 SCE&G proposes to recognize property retirements	\$ (133,947)
72 SCE&G proposes to increase plant in service for CWIP additions through April 2006	\$ 9,599
73 SCE&G proposes to annualize depreciation	\$ 2,726,220
74 SCE&G proposes to remove Propane Air Plants	\$ (5,885,653)
75 SCE&G proposes to add accumulated depreciation for LNG Assets	\$ 30,028,219
76 SCE&G proposes to add depreciation for plant addition relating to New Industrial Contract	\$ 3,596
<u>Accumulated Depreciation</u>	\$ 26,632,855
 (H) <u>CWIP</u>	
77 SCE&G proposes to remove CWIP associated with Employee Clubs	\$ (3,919)

South Carolina Electric & Gas Company
Explanation of Accounting and Pro Forma Adjustments
For the Test Year Ended March 31, 2006

Exhibit A-2
Page 6 of 8

<u>Description</u>	<u>Per</u> <u>SCE&G</u>
78 SCE&G proposes to decrease CWIP closed to Plant in Service through April 2006	\$ (628,069)
79 SCE&G proposes to remove CWIP relating to New Industrial Contract that has been moved to Plant In Service	\$ (162,951)
<u>Total CWIP</u>	<u>\$ (794,939)</u>
(I) <u>Deferred Debits/Credits</u>	
80 SCE&G proposes to annualize Other Post Employment Benefits	\$ (86,840)
<u>Total Deferred Debits/Credits</u>	<u>\$ (86,840)</u>
(J) <u>Regulatory Assets</u>	
81 SCE&G proposes to add regulatory asset for unrecovered balance associated with Propane Air Plant retirement	\$ 2,156,119
(K) <u>Materials & Supplies</u>	
82 SCE&G proposes to remove inventory associated with Propane Air Plants	\$ (888,327)
83 SCE&G proposes to add inventory associated with LNG asset transfer	\$ 11,640,638
84 SCE&G proposes to add inventory associated with upstream assets	\$ 31,562,033
<u>Total Materials & Supplies</u>	<u>\$ 42,314,344</u>
(L) <u>Working Capital</u>	
85 SCE&G proposes to adjust working cash	\$ 157,868
<u>Total Working Capital</u>	<u>\$ 157,868</u>

**South Carolina Electric & Gas Company
Computation of Proposed Increase
For the Test Year Ended March 31, 2006**

Line No.	Description	Requested
	(Col. 1)	(Col. 2)
1	Jurisdictional Rate Base	346,333,163
2	Required Rate of Return	<u>8.52%</u>
3	Required Return	29,507,585
4	Actual Return Earned	<u>18,343,145</u>
5	Required Increase to Return	11,164,440
6	Composite Tax Factor	<u>0.61425</u>
7	Required Revenue Increase	<u>18,175,727</u>
8	Proposed Revenue Increase	<u>18,175,727</u>
	Additional Expenses	
9	Gross Receipts & PSC Support Tax @ .00527	95,786
10	State Income Tax @ 5%	903,997
11	Federal Income Tax @ 35%	<u>6,011,504</u>
12	Total Taxes	<u>7,011,288</u>
13	Additional Return	11,164,440
15	Total Additional Return	11,164,440
16	Earned Return	<u>18,343,145</u>
17	Total Return as Adjusted	29,507,585
18	Rate Base	346,333,163
19	Rate of Return	8.52%

South Carolina Electric & Gas Company
Weighted Cost of Capital
As of March 31, 2006

Description	Capital Structure	Regulatory Per Books				As Adjusted				After Proposed Increase			
		Rate Base	Embedded Cost/Return	Overall Cost/Return	Income For Return	Rate Base	Embedded Cost/Return	Overall Cost/Return	Income For Return	Rate Base	Embedded Cost/Return	Overall Cost/Return	Income For Return
Long-Term Debt	\$ 1,830,462,526	42.40%	6.41%	2.72%	\$ 7,956,097	\$ 124,120,082	6.41%	2.72%	\$ 9,411,701	\$ 146,828,410	6.41%	2.72%	\$ 9,411,701
Preferred Stock	114,920,650	2.66%	6.41%	0.17%	499,502	7,792,544	6.41%	0.17%	590,888	9,218,225	6.41%	0.17%	590,888
Common Equity	2,372,240,900	54.94%	4.40%	2.42%	7,073,812	160,857,013	4.38%	2.41%	8,340,556	190,286,528	10.25%	5.63%	19,504,996
Totals	\$ 4,317,624,076	100.00%		5.30%	\$ 15,529,411	\$ 292,769,639		5.30%	\$ 18,343,145	\$ 346,333,163		8.52%	\$ 29,507,585

SOUTH CAROLINA ELECTRIC & GAS COMPANY

PROPOSED RATES

Rate 31	Small Firm General Service
Rate 32 Value	Residential Value Service
Rate 32 Standard	Residential Standard Service
Rate 33	Medium Firm General Service
Rate 34	Large General Service
Rate 35	Firm Transportation and Standby Service
Rate 36	Gas Lighting
Rider to Rates 31, 32V, 32S and 34	Service for Air Conditioning
Purchased Gas Adjustment	Gas Cost Determination
Weather Normalization Adjustment	Adjustment Determination
Service for Compressed Natural Gas Vehicles	Gas Cost Determination

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 31

GENERAL SERVICE

AVAILABILITY

Available only to those customers having firm requirements on a peak day of less than 500 therms and using the Company's service for general commercial, industrial, agricultural, religious or charitable purposes. Only for residential where more than one dwelling unit is supplied through one meter. It is not available for resale.

RATE PER MONTH

Basic Facilities Charge:	November - April	\$13.36	\$16.95
	May - October	\$9.19	\$12.78

Plus Commodity Charge:

All therms @ **\$ 1.67421** **\$ 1.60699** per therm

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 dekatherm = 10 therms). The amount per dekatherm will be determined by multiplying the above by 10.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on BTU ratings of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.15184 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. The peak day requirement contained in the Availability will be determined in the same manner as the determination of the category for curtailment of retail customers. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2006

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 32V

RESIDENTIAL VALUE SERVICE

(Page 1 of 2)

AVAILABILITY

This rate schedule is only available to residential customers that meet the special provisions as listed below and are using the Company's service in individually metered private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a central heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of this rate.

RATE PER MONTH

Basic Facilities Charge: **\$6.64** **\$9.48**

Plus Commodity Charge:

All Therms @ **\$ 1.54233** **\$ 1.58380** per therm

SPECIAL PROVISIONS

1. This rate schedule is available to those accounts where there is an average usage of at least 10 therms during the billing months of June, July and August. The average usage is derived by combining the therm usage for each of the billing months previously listed and dividing by three.
2. Therm usage during a billing month of other than 30 days, used to determine eligibility under this rate schedule, shall be adjusted to a 30 day billing period by application of a fraction, the numerator of which shall be 30 and the denominator of which shall be the actual number of days in the billing period.
3. The calculation as described in 1. above will be performed annually for each residential account. Accounts not meeting the standards of Rate 32V will be placed on Rate 32S beginning with the billing month of November of each year.
4. Availability of this rate schedule for new premises will be based on reasonably anticipated base load usage. Availability of this rate schedule for new accounts at existing premises will be based on the previous account's usage. If this usage is unavailable, the customer will be initially placed on Rate 32S Residential Standard Service.

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on the BTU rating of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2006

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 32V

RESIDENTIAL VALUE SERVICE

(Page 2 of 2)

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.22695 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2006

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 32S

RESIDENTIAL STANDARD SERVICE

AVAILABILITY

This rate schedule is only available to residential customers that are not eligible for rate schedule 32V Residential Value Service and are using the Company's service in individually metered private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a central heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of this rate.

RATE PER MONTH

Basic Facilities Charge:	November - April	\$8.38	\$11.22
	May - October	\$4.94	\$7.75

Plus Commodity Charge:

All Therms @ **\$1.60233** **\$ 1.64380** per therm

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on the BTU rating of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premises within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.22695 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2006

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 33

MEDIUM GENERAL SERVICE

AVAILABILITY

Available only to those customers using the Company's service for firm general commercial, industrial, agriculture, religious or charitable purposes and for residential where more than one dwelling unit is supplied through one meter. Also, this rate schedule is only available where there is an average usage of at least 130 therms during the billing months of June, July and August. The average usage is derived by combining the therm usage for each of the billing months previously listed and dividing by three. It is not available for resale.

RATE PER MONTH

Basic Facilities Charge:	<u>\$19.95</u>	<u>\$23.54</u>
Plus Commodity Charge:		
All Therms @	<u>\$1.52424</u>	<u>\$1.55699</u> per therm

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 dekatherm = 10 therms). The amount per dekatherm will be determined by multiplying the above by 10.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on BTU ratings of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.15184 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location. No contract shall be written for less than twelve (12) months.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2006

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 34

LARGE GENERAL SERVICE

AVAILABILITY

Available only to those customers having firm requirements and a maximum daily quantity (MDQ) of at least 50 Dekatherms or greater and using the Company's service for industrial manufacturing or large commercial operations. It is not available for resale service.

MAXIMUM DAILY QUANTITY (MDQ)

The actual MDQ shall be the greatest amount of gas delivered to the customer during any day (10:00 a.m. to 10:00 a.m.) of the current billing month.

RATE PER MONTH

Monthly Demand Charge:

First 50 Dekatherms @	\$469.50	\$521.06	
Excess over 50 Dekatherms @	\$5.54	\$6.57	per Dekatherm

Commodity Charge @	\$ 12.4989	\$ 12.6579	per Dekatherm
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DETERMINATION OF BILLING DEMAND

(a) **Billing Months of November-April:**

The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.

(b) **Billing Months of May-October:**

The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) 50% of the contract MDQ; or (3) 50% of the highest MDQ occurring during any of the preceding billing months of November-April; or (4) 50 Dekatherms.

MINIMUM CHARGE

The monthly minimum charge shall be the demand charge as determined above.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$11.2789 per dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Service hereunder shall be provided under a written contract, with a minimum initial term of one year with automatic extensions, unless terminated by either party in accordance with the terms of contract. In the event of a default to the contract, this rate schedule and the General Terms and Conditions will constitute a contract for a term of six months. A separate written contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2006

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 35

TRANSPORTATION AND STANDBY SERVICE

(Page 1 of 2)

AVAILABILITY

Transportation service is available to any customer who has firm requirements of 50 Dekatherms Maximum daily Quantity (MDQ) or greater and, who owns and delivers gas to the Company at an acceptable point of connection, for delivery by the Company to the customer's regular point of service.

Service will be supplied at the best efforts of the Company and may be restricted from time to time due to operating limitations on the Company's system or from third party restrictions. In the event of such limitations, the transportation service is subordinate to service under all other rate schedules and may be curtailed or interrupted, normally upon not less than two hours advance notice, or, when necessitated by conditions affecting the Company's gas system, upon less than two hours advance notice.

RATE PER MONTH

Transportation Service

Monthly Demand Charge:

First	50 Dekatherms @	\$469.50	\$521.06	
Excess over	50 Dekatherms @	\$5.54	\$6.57	per Dekatherm
Commodity Charge @		\$ 1.2034	\$ 1.3624	per delivered Dekatherm

DETERMINATION OF BILLING DEMAND

(a) Billing Months of November-April:

The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.

(b) Billing Months of May-October:

The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) 50% of the contract MDQ; or (3) 50% of the highest MDQ occurring during any of the preceding billing months of November-April; or (4) 50 Dekatherms.

Standby Service

In addition to the demand charges for transportation service the following charges will apply for gas supplied by the Company.

(a) Billing Months of November-April:

The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.

Demand Charge @	\$6.00	\$6.00	per Dekatherm
Commodity Charge @	\$ 12.4989	\$ 12.6579	per Dekatherm

(b) Billing Months of May-October:

Demand Charge @	None	None	
Commodity Charge @	\$ 12.4989	\$ 12.6579	per Dekatherm

MINIMUM CHARGE

The monthly minimum charge shall be the demand charges as determined above.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$11.2789 per dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

DELIVERED GAS QUANTITY

When separate metering is not feasible, the Company shall assume for billing purposes, unless otherwise agreed to, that such metered volumes reflect deliveries under this rate schedule prior to gas received under any other rate schedule.

The quantity of transportation gas received into the Company's system for the customer's account to be delivered to the customer by the Company shall be reduced by 3% in measurement for line loss and unaccounted for gas.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 35

TRANSPORTATION AND STANDBY SERVICE

(Page 2 of 2)

DELIVERED GAS QUANTITY

The volume of gas received on a daily basis for customer's account may not equal the volume, less shrinkage, delivered to the customer. The result will be deemed an imbalance. Customer's account will be reviewed at the end of each month, or on termination of Transportation Service or curtailment or discontinuance thereof. If the imbalance is such that the customer has received more gas than was delivered to the Company during the period under review, customer shall be billed for such as standby service. If the imbalance is such that the customer has received less gas than was delivered to the Company, the Company may exercise one of two options, in its sole discretion. The Company may: (1) deliver the excess gas to the customer, over the next calendar month succeeding the review, at such times as the Company shall determine in its sole discretion; or (2) buy excess gas at Company's lowest delivered purchase price in that month from any of Company's suppliers.

LIABILITY

The Company shall not be liable for curtailment of service under this rate schedule or loss of gas of the customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.

Gas shall be and remain the property of the customer while being transported and delivered by the Company. The customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.

The Company shall not be liable for any loss to the customer arising from or out of service under this rate schedule, including loss of gas in the possession of the Company or any other cause, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the customer with other supplies.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

The customer shall execute an Agreement of Service with the Company which shall specify the maximum daily volume of gas to be transported, the period of time that the Company will receive such gas, and all conditions under which delivery to the Company will be accepted and delivery to the customer will be made. The customer must provide the Company with all necessary documentation of ownership and authorization required by any regulatory body with jurisdiction.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 36

GAS LIGHTING

AVAILABILITY

EFFECTIVE FOR BILLS RENDERED ON AND AFTER THE FIRST BILLING CYCLE OF NOVEMBER 2005 THIS SCHEDULE IS CLOSED AND NOT AVAILABLE TO ANY NEW STRUCTURE OR APPLIANCE.

RATE

All lighting service where fixtures are mounted on Company's ornamental poles which are a part of Company's distribution system will be charged for at the following rate per light.

<u>SIZE</u>	<u>Lamp Charges per Month</u>	<u>Average Therms Usage per Month</u>
Two Mantle fixture complete	\$ 23.41	15
Three Mantle fixture complete	\$ 34.34	22
Four Mantle fixture complete	\$ 45.26	29

ADJUSTMENT FOR RECOVERY OF GAS COSTS AND ENVIRONMENTAL LIABILITIES

The commodity charges above include gas costs of \$1.22695 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Service hereunder shall be provided under written contract, with the initial term of contract of five years and, there after, for one-year periods until terminated by either party on ninety days written notice.

SPECIAL PROVISIONS

The company will furnish, erect, operate and maintain all necessary equipment in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between such non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2006

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RIDER TO RATES 31, 32V, 32S AND 34

SERVICE FOR AIR CONDITIONING

(Page 1 of 2)

AVAILABILITY

EFFECTIVE FOR BILLS RENDERED ON AND AFTER THE FIRST BILLING CYCLE OF NOVEMBER 2005 THIS SCHEDULE IS CLOSED AND NOT AVAILABLE TO ANY NEW APPLIANCE.

This rider is available to those customers which have installed and are regularly operating a gas-fired central air cooling system or have installed and are regularly operating a gas-fired central combination air cooling and heating system. Service under this rider shall be available subject to the specifications below at customer's request and with Company certification of customer's installed gas-fired central air cooling system or gas-fired central combination air cooling and heating system. It is not available for resale service. At the company's discretion, service offered under this rider may be limited and applied only to those customers currently receiving service under this rider.

INDUSTRIAL AND COMMERCIAL, RATES 31, 33 AND 34

METERING

The volume of gas used for service under this rider will be determined by separate metering equipment installed by the Company. All costs associated with the separate metering are borne by the customer.

Available to those customers qualifying for service under General Service Rates 31 & 33.

SPECIFICATION A - Customer with gas-fired cooling systems.

**RATE PER MONTH
(All Months)**

Basic Facilities Charge:	<u>\$11.28</u>	<u>\$14.87</u>
Commodity Charge:		
All therms @	<u>\$ 1.25354</u>	<u>\$ 1.25354</u> per therm

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.15184 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SPECIFICATION B - Customer with gas-fired Central combination air cooling and heating systems.

**RATE PER MONTH
(During the Billing Months of May through October)**

Basic Facilities Charge:	<u>\$11.28</u>	<u>\$14.87</u>
Commodity Charge:		
All therms @	<u>\$ 1.57421</u>	<u>\$ 1.57421</u> per therm

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.15184 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEKATHERM BILLING

The commodity charges above include gas costs of \$1.15184 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

Available to those customers qualifying for service under Large General Service Rates 34.

Rate 34G - Customer with gas-fired Central combination air cooling and heating systems.

**RATE PER MONTH
(All Months)**

Commodity Charge:		
All therms @	<u>\$ 1.22189</u>	<u>\$ 1.22189</u> per therm

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.12789 per dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RIDER TO RATES 31, 32V, 32S AND 34

SERVICE FOR AIR CONDITIONING
(Page 2 of 2)

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1Dekatherm = 10 therms). The amount per Dekatherm will be determined by multiplying the above rates by 10.

RESIDENTIAL RATES 32V & 32S

Available only to residential customers qualifying for service under Firm Residential Service Rate 32V & 32S and having a gas-fired central air cooling system or gas-fired central combination air cooling and heating system using the Company's service in private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a gas-fired central air cooling system or a gas-fired central combination air cooling and heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of Rate 32V & 32S.

SPECIFICATION B - Customer with gas-fired central combination air cooling and heating systems.

RATE PER MONTH
(All Months)

Basic Facilities Charge:	<u>\$6.64</u>	<u>\$9.48</u>
Commodity Charge:		
All therms @	<u>\$1.39843</u>	<u>\$1.39843</u> per therm

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.22695 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to commodity charges for the billing months of November - April will be made in accordance with the Weather Normalization Adjustment.

GENERAL

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERMS OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2006

SOUTH CAROLINA ELECTRIC & GAS COMPANY WEATHER NORMALIZATION ADJUSTMENT

APPLICABILITY

This Weather Normalization Adjustment (WNA) is applicable to and is a part of the Company's firm gas rate schedules 31, 32V, 32S, and 33. The commodity charges per therm for each customer account during the billing months of November through April will be increased or decreased in an amount to the nearest one-thousandth of a cent, as derived by the following formula:

$$\text{WNA} = \frac{\text{WSL} \times \text{R}}{\text{ATH} - \text{BTH}}$$

$$\text{Where: WSL} = \frac{\text{ATH} - \text{BTH}}{\text{ADD}} \times (\text{NDD} - \text{ADD})$$

WNA = Weather Normalization Adjustment factor for a particular account expressed in dollars per therm.

WSL = Weather Sensitive Load which is the difference in the amount of therms that would have been consumed by the customer during normal weather and the amount of therms actually consumed.

R = Approved rate less cost of gas for applicable rate schedule determined as follows:

<u>Rate 32V</u>	<u>Rate 32S</u>
R= \$0.31638 R= \$0.35685	R= \$ 0.37638 R= \$ 0.41685
<u>Rate 31</u>	<u>Rate 33</u>
R= \$ 0.42237 R= \$ 0.45515	R= \$ 0.37237 R= \$ 0.40515

ATH = Actual therms consumed by customer during current billing period.

BTH = Base load therms which is the average of the therms consumed by customer during the previous billing months of June, July and August. If BTH is greater than ATH, then BTH will equal to ATH. If base load therms cannot be determined, then base load therms will be as follows:

Rate 32V = 18 therms
Rate 31 = 19 therms

Rate 32S = 4 therms
Rate 33 = 739 therms

NDD = Normal heating degree days during customer's billing period authorized by the Commission.

ADD = Actual heating degree days during customer's billing period.

The appropriate revenue related tax factor is to be included in these calculations.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2006

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

**SERVICE FOR COMPRESSED NATURAL GAS VEHICLES
GAS COST DETERMINATION**

APPLICABILITY

This calculation is applicable to and is a part of the Company's Developmental Compressed Natural Gas Vehicle Service.

GAS COST

The cost of gas per therm for the current month shall be determined (to the nearest thousandth of a cent) by this method:

Commodity Cost of Purchased Gas (CCOPG) (to the nearest thousandth of a cent) will be the greater of \$0.29 per therm or the Annual Simple Average Cost of Gas (SACOG) excluding demand or capacity charges.

The appropriate revenue related tax factor is to be included in these calculations.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2006